AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

ASSEMBLY BILL

No. 233

Introduced by Assembly Member Wieckowski

February 5, 2013

An act to add Section—706.035 706.053 to the Code of Civil Procedure, relating to wage garnishment.

LEGISLATIVE COUNSEL'S DIGEST

AB 233, as amended, Wieckowski. Wage garnishment:—exempt earnings restrictions: student loans.

The Wage Garnishment Law prescribes the procedure for withholding an employee's earnings for purposes of paying a debt. The law requires that a levy of execution upon the earnings of an employee be made by service of an earnings withholding order upon the employer. An earnings withholding order is issued by a levying officer upon receiving an application submitted by a judgment creditor, as specified. An employer is required, except as otherwise provided by statute, to withhold the amounts required by an earnings withholding order from all earnings of the employee payable for any pay period of the employee which ends during the withholding period.

This bill would prohibit the issuance of an earnings withholding order for purposes of collecting debt on provide that an earnings withholding order shall not be used for purposes of enforcing a judgment for the collection of debt that is from a student loan that is not made, insured, or guaranteed by the United State Government pursuant to the Federal Family Education Loan Program or the William D. Ford Federal Direct Loan Program. The bill would require a court to terminate an earnings

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withholding order upon proof by a judgment debtor that it was issued in violation of these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 706.053 is added to the Code of Civil 2 Procedure, immediately after Section 706.052, to read:
- 706.053. An earnings withholding order shall not be used for
 purposes of enforcing a judgment for the collection of debt that
- 5 the judgment debtor proves is from a student loan that is not made,
- 6 insured, or guaranteed by the United States Government pursuant
- 7 to the Federal Family Education Loan Program (20 U.S.C. Sec.
- 8 1071 et seq.) or the William D. Ford Federal Direct Loan Program
- 9 (34 C.F.R. 685.100). A court shall terminate an earnings
- 10 withholding order upon proof by the judgment debtor that the
- 11 earnings withholding order enforces a judgment in violation of 12 this section.
- SECTION 1. Section 706.035 is added to the Code of Civil Procedure, to read:
- 15 706.035. An earnings withholding order shall not be issued
- 16 pursuant to this chapter for purposes of collecting debt on a student
- 17 loan that is not made, insured, or guaranteed by the United State
- 18 Government pursuant to the Federal Family Education Loan
- 19 Program (20 U.S.C. Sec. 1071 et seq.) or the William D. Ford
- 20 Federal Direct Loan Program (34 C.F.R. 685.100).